

## **Request for City Council Committee Action From the Department of Human Resources**

Date:	December 8, 2003
То:	Ways and Means/Budget Committee
Prepared by:	Thomas Tiedemann, Director Enterprise Services Division
Approved by	Pamela French John Moir, City Coordinator Interim HR Director
Subject: VE	BA Trust Agreement
Presenters in Committee: Thomas Tiedemann, Director Enterprise Services Division	
Recommendation: 1. Adoption of the Retirement Enhancement and Benefit Alternatives VEBA Plan.	
<ol> <li>Authorization for the proper City officials to enter into a Trust Agreement for the period of January 1, 2004 through December 31, 2006 with Manufacturers and Traders Trust Company.</li> </ol>	
	cial Impact (Check those that apply) o financial impact or Action is within current budget.
A A	Action requires an appropriation increase to the Capital Budget Action requires an appropriation increase to the Operating Budget Action provides increased revenue for appropriation increase Action requires use of contingency or reserves Other financial impact (Explain):
<u>x</u> F	Request provided to the Budget Office when provided to the

Committee Coordinator

## **Background/Supporting Information -**

The VEBA, COBRA, and Miniflex Administration were part of the questionnaire section of the Healthcare Insurance RFP which was sent out June 11, 2003. As a result of the responses to the RFP the Healthcare Sub-Committee of the Citywide LMC proceeded with a redesign of the Healthcare Insurance plans for the City. Any material change to the employees' benefits requires the City to negotiate with the representative bargaining units. Negotiations with the representative bargaining units resulted in a determination that a Voluntary Employee Beneficiary Association ("VEBA") would be the best course of action.

The REBA Program VEBA Trust is a multiple public employer trust arrangement. This REBA Program VEBA Plan must be adopted by the City and designate Manufacturers and Traders Trust Company as the Plan's trustee. The VEBA Plan Trust Agreement designates the VEBA Trust Administrator, currently the Public Agency Retirement Planning, Inc. and designates the VEBA Plan Administrator currently as Administration Resources Corporation ("ARC"). ARC is the recently selected plan administrator for the City's Minneflex Plan components of Health Care Spending Plan and Dependent Care Plan.